

Message Text

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43

ACTION AID-31

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DEPT PASS AID/SER/HN

E.O. 11652: N/A

TAGS: EAID, KU

SUBJ: REIMBURSABLE TECHNICAL ASSISTANCE: KUWAIT NATIONAL
HOUSING AUTHORITY

REF: STATE 1074

1. BOGOSIAN RECENTLY HAD OPPORTUNITY, FOR FIRST TIME IN OVER FOUR MONTHS, TO REVIEW WITH DAKHEEL NHA PROGRAM (SEPTTEL) AND NHA/AID RELATIONSHIP. DURING CONVERSATION DAKHEEL INDICATED THAT HIGH COST OF US EXPERTS WAS HIS PRINCIPAL CURRENT PROBLEM. HE SAID THAT HE HAS BEEN IN TOUCH WITH BRITISH NATIONAL HOUSING HOUSING AGENCY WHICH IS OFFERING APPARENTLY WELL QUALIFIED CANDIDATES AT TOTAL COST OF ABOUT 25,000 POUNDS STERLING, OR ON THE ORDER OF \$50,000 PER MAN PER YEAR.

2. SPEAKING OF HAZEN AND DESANTIS, DAKHEEL SAID THAT EVEN IF HE SELECTED THEM ON THEIR MERITS WITHOUT REGARD TO COST, IT WOULD CREATE IMPOSSIBLE SITUATION FOR HIM WITHIN NHA AND ELSEWHERE WITHIN GOK BUREACRACY TO HAVE PROJECT MANAGERS WHOSE REMUNERATION WAS SO MUCH HIGHER THAN OTHER NON-AMERICANS HOLDING SAME POSITIONS. HE NOTED THAT HE WILL NEED AT LEAST A DOZEN PROJECT MANAGERS.

3. ON OTHER HAND, DAKHEEL CLEARLY RECOGNIZES THAT AMERICANS ARE OFTER MOST HIGHLY QUALIFIED AND AS GENERAL PROPOSITION HE WOULD LIKE TO HIRE AMERICANS AS PROJECT MANAGERS. HE, THERE,
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URGED THAT WE INVESTIGATE WAYS BY SHICH COSTS MIGHT BE REDUCED.

DAKHEEL'S OWN VIEW IS THAT COSTS COULD BE SIGNIFICANTLY REDUCED IF, INSTEAD OF SHIPPING AUTO AND FURNITURE, AID CONTRACTORS WERE GIVEN ALLOWANCES TO BE USED IN KUWAIT. MINISTRY OF HOUSING IS STILL PRETTY SMALL AND NEW. DAKHEEL IS SWAMPED WITH WORK, AND HE IS EXTREMELY HESITANT TO TAKE ON EXTRA ADMINISTRATIVE BURDENS. THIS IS ONE REASON WHY HE WOULD PERFER SYSTEM OF ALLOWANCES RATHER THAN SHIPMENTS; FOR HIM CUSTOMS CLEARANCES, DAMAGED EFFECTS, ETC., ARE QUITE ANNOYING.

4. WITH RESPECT TO SUGGESTIONS MADE REFTEL, DAKHEEL AGREED THAT IT WOULD BE HELPFUL TO HAVE BIO DATA SO THAT HE CAN HAVE AN IDEA OF WHAT IS AVAILABLE AT SALARIES MENTIONED. HE ASKED THAT TOTAL ESTIMATED COST RATHER THAN BASE SALARY BE PROVIDED, AND HE SAID HE WOULD RESERVE JUDGEMENT ON WHETHER HE WOULD ASK TO HAVE ANY CANDIDATE INTO CONTRACT UNTIL HE HAD CHANCE TO REVIEW INFO TO BE PROVIDED BY AID/SER/H. BOGOSIAN SAID HOUSING ALLOWANCE WOULD NEED TO BE INCREASED, AND DAKHEEL CONCURRED, ALTHOUGH NO SPECIFIC SUM WAS MENTIONED.

5. COMMENT: THOSE FAMILIAR WITH EFFORTS TO STIMULATE REIMBURSABLE TECHNICAL ASSISTANCE PROGRAMS IN GULF REGION ARE ALSO FAMILIAR WITH PHENOMENON OF HIGH COSTS FOR US EXPERTS. BRITISH, IMPARTICULAR, SEEM TO BE AVAILABLE AT BARGIN RATES BY COMPARISON, AND ALTHOUGH KUWAITIS CONCEDE BRITISH OFTEN ARE NOT AS QUALIFIED AS AMERICANS THEY ARGUE THAT ADDITIONAL BENEFITS TO BE DERIVED FROM HIRING US EXPERTS DO NOT JUSTIFY COSTS. EMBASSY FEARS THAT FULL POTENTIAL OF NHA/AID COOPERATIVE RELATIONSHIP MAY NOT BE ACHIEVED AS RESULT OF THIS PROBLEM, ALTHOUGH WE SHALL HAVE TO AWAIT DAKHEEL'S REACTION TO INFO REQUESTED PARA (4) BEFORE WE SHALL KNOW FOR SURE.

6. NEVERTHELESS, WE THINK IT ADVISABLE FOR AID TO CONSIDER WHETHER THERE ARE WAYS COSTS, REGARDLESS OF BASE SALARIES INVOLVED, CAN BE REDUCED. WE RECOGNIZE THAT DAKHEEL'S SUGGESTIONS MAY NOT BE FEASIBLE, BUT WE REQUEST THAT THEY OR OTHER IDEAS BE GIVEN CAREFUL CONSIDERATION. EMBASSY WOULD LIKE TO WITHHOLD SPECIFIC COMMENT AND/OR SUGGESTIONS UNTIL WE HAVE BENEFIT OF AT LEAST PRELIMINARY VIEWS BY AID.

7. SHOULD BE KEPT IN MIND THAT WHAT IS AT ISSUE IS WHETHER USG LIMITED OFFICIAL USE

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WILL BE ABLE PLAY SPECIAL ROLE AS GOK IMPLEMENTS WHAT, AS REPORTED SEPTTEL, WILL BECOME LARGEST SINGLE AND MOST IMPORTANT GOK DOMESTIC PROGRAM. COMMERICAL, SOCIAL, CULTURAL AND POLITICAL SIGNIFICANCE OF NHA PROGRAMS EVEN GREATER NOW THAN WAS REALIZED WHEN ORGANIZATION FIRST FORMED YEAR AND A HALF AGO.

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